



PUBLIC NOTICE

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DA 07-2819
Released: June 26, 2007

DOMESTIC SECTION 214 APPLICATION FILED FOR THE TRANSFER OF CONTROL OF CT COMMUNICATIONS, INC. TO WINDSTREAM CORPORATION

NON-STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 07-127

Comments Due: July 10, 2007

Reply Comments Due: July 17, 2007

On June 20, 2007, CT Communications, Inc. ("CTC") and Windstream Corporation (Windstream) (together, "Applicants") filed an application pursuant to sections 63.03 and 63.04 of the Commission's rules¹ requesting approval to transfer control of CTC to Windstream.²

Applicants assert that the proposed transaction is entitled to presumptive streamlined treatment under sections 63.03(b)(2)(i)-(ii) of the Commission's rules and that a grant of the application will serve the public interest, convenience, and necessity.³ Because there are overlaps between Applicants' incumbent local exchange carrier (LEC) and competitive LEC service areas, and there are a number of adjacencies between Windstream's and CTC's incumbent LEC service areas, the application does not qualify for streamlined treatment.

CTC is a publicly traded North Carolina corporation. CTC holds a direct 100 percent interest in The Concord Telephone Company ("Concord"), a North Carolina corporation which provides local exchanges and interexchange services, including service to 105,000 incumbent local exchange customers in North Carolina. CTC also holds a direct 100 percent interest in CTC Exchange Services, Inc. ("CTC Exchange"), a North Carolina corporation that provides local exchange services on a facilities-based and resold basis, along with interexchange services to approximately 53,000 customers in North Carolina and

¹ 47 C.F.R. §§ 63.03, 63.04; *see* 47 U.S.C. § 214.

² Applicants are also filing applications for transfer of control associated with authorization for international services and wireless licenses. Any action on this domestic 214 application is without prejudice to Commission action on other related, pending applications. Applicants simultaneously filed a supplement to their domestic 214 application on June 20, 2007 ("June 20 Supplement"). Applicants filed a second supplement to their domestic 214 application on June 25, 2007 ("June 25 Supplement").

³ 47 C.F.R. §§ 63.03(b)(2)(i)-(ii).

Georgia.⁴ CTC Exchange, in turn, is the 100 percent owner of CTC Long Distance Services, LLC (“CTC LD”), a North Carolina limited liability company providing resold and facilities-based intrastate, interexchange telecommunications and payphone services in North Carolina, South Carolina and Georgia.

Windstream, a publicly traded Delaware corporation, formed on July 17, 2006, through the spin-off of ALLTEL Corporation’s landline business and its merger with Valor Communications Group. Through its subsidiaries, Windstream provides local and long distance telephone services, network access, video services, broadband and high-speed data service to approximately 3.2 million residential and business customers primarily located in rural areas in 16 states.⁵ Windstream Marlin, Inc. (“Marlin”) is a North Carolina corporation and a wholly owned subsidiary of Windstream. Applicants state that Windstream and CTC are either actual or potential competitors in certain service areas in North Carolina. Specifically, Applicants reveal that there are eight instances where Windstream’s incumbent LEC service areas are overlapped by CTC’s competitive LEC services and five instances where CTC and Windstream have adjacent incumbent LEC service areas.⁶

On May 25, 2007, CTC, Windstream, and Marlin signed an Agreement and Plan of Merger (“Agreement”) providing for the merger of CTC and Marlin. Pursuant to the terms of the Agreement, Marlin will merge with, and into, CTC. The separate corporate existence of Marlin will cease and CTC shall continue as the surviving corporation of the merger as a wholly-owned subsidiary of Windstream.

Applicants contend that the proposed transaction is in the public interest. Applicants maintain that the proposed transaction will result in the combined company becoming a more effective competitor and will not harm competition in any relevant market. Applicants contend that the proposed transaction will strengthen the Applicants’ ability to expand their offerings and provide more advanced services to a broader customer base. As a result of the transaction, Applicants expect Windstream to realize

⁴ See June 20 Supplement at 1.

⁵ Windstream provides services in the following states: Alabama; Arkansas; Florida; Georgia; Kentucky; Mississippi; Missouri; Nebraska; North Carolina; New York; New Mexico; Ohio; Oklahoma; Pennsylvania; South Carolina; and Texas.

⁶ See June 20 Supplement at 2. Windstream’s incumbent LEC service areas are overlapped by CTC’s competitive LEC services in the following North Carolina exchanges (with Windstream/CTC access lines, respectively, listed once for each market): Matthews (37,021/172); Mooresville (28,872/858); Indian Trail (7,050/300); Waxhaw (10,683/3); Hemby Bridge (7,603/298); Granite Quarry (7,710/1); Norwood (2,865/1) and Sanford (23,520/5). Applicants also acknowledge that there are several service areas where Applicants’ competitive LEC service areas overlap and where Windstream’s incumbent LEC and CTC’s greenfield service areas overlap. Applicants define “greenfield” markets as “geographic areas which require entirely new construction of local loops, switching, and other network equipment, principally to serve new residential communities but also may include new business developments as well.” Applicants state that the CTC greenfield subscribers are included in the figures provided for incumbent LEC - competitive LEC overlaps. Windstream’s incumbent LEC service areas are adjacent to those of CTC in the following exchanges: Windstream’s Mooresville exchange (28,872) is adjacent to CTC’s China Grove (9,402), and Kannapolis (18,098) exchanges; Windstream’s Granite Quarry exchange (7,710) is adjacent to CTC’s China Grove, Concord (40,105), Kannapolis, Mount Pleasant (2,697), and New London (2,616) exchanges; Windstream’s Norwood exchange (2,925) is adjacent to CTC’s Albemarle (13,769) and Oakboro (3,145) exchanges; Windstream’s Ansonville exchange (1,020) is adjacent to CTC’s Oakboro exchange; and Windstream’s New Salem exchange (1,207) is adjacent to CTC’s Oakboro exchange. See June 25 Supplement at 2.

significant synergies and operating efficiencies that will strengthen its position as a competitor. Applicants maintain that Windstream is legally, technically, and financially qualified to control CTC's access lines. According to the Applicants, customers will experience no degradation in service and possibly enhanced service delivery, product development, and customer interaction as a result of the proposed transaction. Finally, Applicants state that, after consummation of the transaction, CTC and Windstream customers will continue to receive services at the same prices, terms and conditions.

GENERAL INFORMATION

The transfer of control identified herein has been found, upon initial review, to be acceptable for filing as a non-streamlined application. The Commission reserves the right to return any transfer of control application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules and policies. Pursuant to section 63.03(a) of the Commission's rules, 47 CFR § 63.03(a), interested parties may file comments **on or before July 10, 2007** and reply comments **on or before July 17, 2007**. Comments may be filed using: (1) the Commission's Electronic Comment Filing System (ECFS), (2) the Federal Government's eRulemaking Portal, or (3) by filing paper copies. *See Electronic Filing of Documents in Rulemaking Proceedings*, 63 FR 24121 (1998).

- **Electronic Filers:** Comments may be filed electronically using the Internet by accessing the ECFS: <http://www.fcc.gov/cgb/ecfs/> or the Federal eRulemaking Portal: <http://www.regulations.gov>. Filers should follow the instructions provided on the website for submitting comments.
- **For ECFS filers,** if multiple docket or rulemaking numbers appear in the caption of this proceeding, filers must transmit one electronic copy of the comments for each docket or rulemaking number referenced in the caption. In completing the transmittal screen, filers should include their full name, U.S. Postal Service mailing address, and the applicable docket or rulemaking number. Parties may also submit an electronic comment by Internet e-mail. To get filing instructions, filers should send an e-mail to ecfs@fcc.gov, and include the following words in the body of the message, "get form." A sample form and directions will be sent in response.
- **Paper Filers:** Parties who choose to file by paper must file an original and four copies of each filing. If more than one docket or rulemaking number appears in the caption of this proceeding, filers must submit two additional copies for each additional docket or rulemaking number.

Filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail (although we continue to experience delays in receiving U.S. Postal Service mail). All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

The Commission's contractor will receive hand-delivered or messenger-delivered paper filings for the Commission's Secretary at 236 Massachusetts Avenue, N.E., Suite 110, Washington, D.C. 20002. The filing hours at this location are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes must be disposed of before entering the building. Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9300 East

Hampton Drive, Capitol Heights, MD 20743. U.S. Postal Service first-class, Express, and Priority mail should be addressed to 445 12th Street, S.W., Washington D.C. 20554.

People with Disabilities: To request materials in accessible formats for people with disabilities (braille, large print, electronic files, audio format), send an e-mail to fcc504@fcc.gov or call the Consumer & Governmental Affairs Bureau at 202-418-0530 (voice), 202-418-0432 (tty).

You may submit comments, identified by the above noted docket number, by any of the following methods:

- Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments.
- Federal Communications Commission's Web Site: <http://www.fcc.gov/cgb/ecfs/>. Follow the instructions for submitting comments.
- People with Disabilities: Contact the FCC to request reasonable accommodations (accessible format documents, sign language interpreters, CART, etc.) by e-mail: FCC504@fcc.gov or phone: 202-418-0530 or TTY: 202-418-0432.

In addition, one copy of each pleading must be sent to each of the following:

- 1) The Commission's duplicating contractor, Best Copy and Printing, Inc., 445 12th Street, S.W., Room CY-B402, Washington, D.C. 20554, www.bcpweb.com; phone: (202) 488-5300 fax: (202) 488-5563;
- 2) Tracey Wilson-Parker, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-A103, Washington, D.C. 20554; email: www.tracey.wilson-Parker@fcc.gov;
- 3) Dennis Johnson, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-B155, Washington, D.C. 20554; e-mail: www.dennis.johnson@fcc.gov;
- 4) Susan O'Connell, Policy Division, International Bureau, 445 12th Street, S.W., Room 7-B544, Washington, D.C. 20554; email: susan.o'connell@fcc.gov; and
- 5) Jim Bird, Office of General Counsel, 445 12th Street, S.W., Room 8-C824, Washington, D.C. 20554; e-mail: jim.bird@fcc.gov.

Filings and comments are also available for public inspection and copying during regular business hours at the FCC Reference Information Center, Portals II, 445 12th Street, S.W., Room CY-A257, Washington, D.C. 20554. They may also be purchased from the Commission's duplicating contractor, Best Copy and Printing, Inc., Portals II, 445 12th Street, S.W., Room CY-B402, Washington, D.C. 20554, telephone: (202) 488-5300, fax: (202) 488-5563, or via e-mail www.bcpweb.com.

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For further information, please contact Tracey Wilson-Parker at (202) 418-1394, or Dennis Johnson at (202) 418-0809.

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